

**THE TENNESSEE REGULATORY AUTHORITY**

## AT NASHVILLE, TENNESSEE

IN RE: **JANUARY 23, 2002**

ALLEGED VIOLATIONS OF TENN.  
CODE ANN. §65-4-401 *et seq.*, DO-NOT-  
CALL SALES SOLICITATION LAW,  
AND RULES OF TENNESSEE  
REGULATORY AUTHORITY, CHAPTER  
1220-4-11, BY:

METROPOLITAN PROPERTY AND  
CASUALTY INSURANCE COMPANY

DOCKET NO. 01-00917

## ORDER APPROVING SETTLEMENT AGREEMENT

This matter came before the Tennessee Regulatory Authority (“Authority” or “TRA”) at a regularly scheduled Authority Conference held on December 18, 2001, for consideration of a proposed Settlement Agreement between the Consumer Services Division of the TRA (the “CSD”) and Metropolitan Property and Casualty Insurance Company (“Metlife”) for violations of the Tennessee Do-Not-Call Telephone Sales Solicitation statutes, Tenn. Code Ann. § 65-4-401 *et seq.* The proposed Settlement Agreement is attached hereto as Exhibit A.

Tenn. Code Ann. § 65-4-404 and Tenn. Comp. R. & Regs. 1220-4-11-.07(1) prohibit persons and entities from knowingly making or causing to be made telephone sales solicitation calls to any residential subscribers in this state who have given timely and proper notice to the Authority of their objection to receiving telephone solicitations. Tenn. Code Ann. § 65-4-405(d) requires persons or entities desiring to make telephone

solicitations to residential subscribers to register in the Do-Not-Call program. Tenn. Code Ann. § 65-4-405(f) authorizes the Authority to initiate proceedings relative to violations of the Do-Not-Call statutes and the TRA rules and regulations (Tenn. Comp. R. & Regs. 1220-4-11-.01 *et seq.*) promulgated pursuant to the Do-Not-Call statutes. "Such proceedings may include without limitation proceedings to issue a cease and desist order, to issue an order imposing a civil penalty up to a maximum of two thousand dollars (\$2,000) for each knowing violation and to seek additional relief in any court of competent jurisdiction." Tenn. Code Ann. § 65-4-405(f).

Between May 1, 2001 and September 26, 2001, the CSD received three (3) complaints against Metlife from Tennessee consumers whose residential telephone numbers were properly and timely registered on the Tennessee Do-Not-Call Register. During the investigation of these complaints, the CSD determined that Metlife was not registered as a solicitor at the time of the first alleged solicitation. Metlife faced a maximum civil penalty of eight thousand dollars (\$8,000) for the three (3) allegedly improper solicitations and the failure to register in the Do-Not-Call program.

The proposed Settlement Agreement was negotiated as the result of the CSD's investigation into the complaints against Metlife. In negotiating the terms and conditions of this Settlement Agreement, the CSD took into consideration Tenn. Code Ann. § 65-4-116(b), which provides:

In determining the amount of the penalty, the appropriateness of the penalty to the size of the business of the person, firm or corporation charged, the gravity of the violation and the good faith of the person, firm or corporation charged in attempting to achieve compliance, after notification of a violation, shall be considered. The amount of the penalty, when finally determined, may be deducted from any sums owing by the state to the person, firm or corporation charged or may be recovered in a civil action in the courts of this state.

Metlife is located in Warwick, Rhode Island with offices located throughout Tennessee. It employs approximately sixty-five (65) persons in the State of Tennessee. The CSD's investigation revealed that Metlife has no known history of violating the statutes and rules enforceable by the Authority and has not engaged in a pattern of continued violations of Tenn. Code Ann. § 65-4-401 *et seq.* Upon receiving notice of the alleged violations, Metlife cooperated with the CSD's investigation of the above mentioned complaints. Further, through its parent company, The Metropolitan Insurance Company, Metlife registered with the TRA as a telephone solicitor in Tennessee on June 11, 2001.

As a part of this Settlement Agreement, Metlife agrees to implement measures, as outlined in Exhibit A, to prevent similar occurrences in the future. In addition, Metlife will pay to the Authority the amount of four thousand dollars (\$4,000) within thirty (30) days of the date of the Authority's approval of the Settlement Agreement.

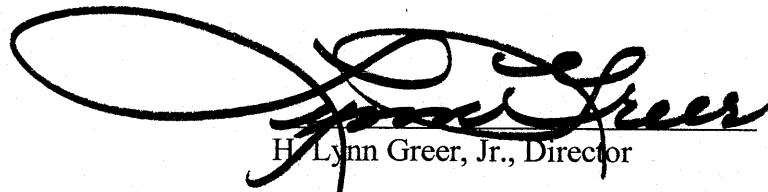
Representatives of Metlife, participated telephonically during the Authority Conference on December 18, 2001. Following a discussion with the parties and a review of the Settlement Agreement, the Directors voted unanimously to accept and approve the Settlement Agreement.

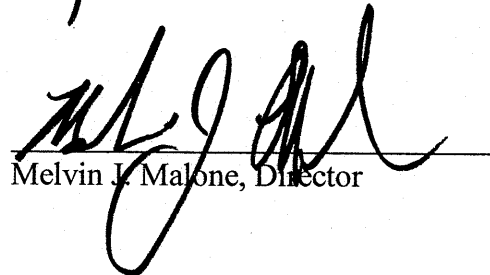
**IT IS THEREFORE ORDERED THAT:**

1. The Settlement Agreement, attached hereto as Exhibit A, is accepted and approved and is incorporated into this Order as if fully rewritten herein.
2. The amount of four thousand dollars (\$4,000) shall be paid by Metlife into the Public Utilities Account of the TRA thirty (30) days from the date of the Authority's approval of the Settlement Agreement.

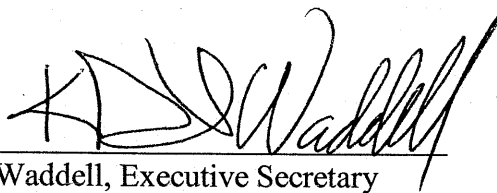
3. Upon payment of the amount of four thousand dollars (\$4,000), Metlife is excused from further proceedings in this matter, provided that, in the event of any failure on the part of Metlife to comply with the terms and conditions of the Settlement Agreement, the Authority reserves the right to re-open this docket.<sup>1</sup>

  
Sara Kyle, Chairman

  
H. Lynn Greer, Jr., Director

  
Melvin J. Malone, Director

ATTEST:

  
K. David Waddell, Executive Secretary

<sup>1</sup> Metlife made payment of \$4,000.00 to the Authority which was accepted by the Directors upon approval of the Settlement Agreement on December 18, 2001.

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CODE ANN. §65-4-401 *et seq.*, DO-NOT-  
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METROPOLITAN PROPERTY AND  
CASUALTY INSURANCE COMPANY

DOCKET NO. 01-00917

DO-NOT-CALL T01-00268

PROGRAM T01-00544

FILE NUMBER NO. T01-00548

## SETTLEMENT AGREEMENT

This Settlement Agreement has been entered into between the Consumer Services Division ("CSD") of the Tennessee Regulatory Authority ("TRA") and Metropolitan Property and Casualty Insurance Company ("MetLife Auto & Home"). This Settlement Agreement is subject to the approval of the Directors of the TRA.

This Settlement Agreement pertains to three (3) complaints received by the CSD alleging that MetLife Auto & Home violated the Tennessee Do-Not-Call Telephone Sales Solicitation law, TENN. CODE ANN. § 65-4-404, and TENN. COMP. R. & REGS. 1220-4-11.07(1), by knowingly making or causing to be made telephone sales solicitation calls to residential subscribers in this state who had given timely and proper notice to the TRA of their objection to receiving telephone solicitations. A complaint filed with the CSD on May 1, 2001, alleges that the complainant, a person properly listed on the Do-Not-Call register, received a telephone solicitation from MetLife Auto & Home on April 23, 2001. The CSD provided MetLife Auto &



Home with notice of this complaint on May 2, 2001. The second complaint was filed with the CSD on September 19, 2001, by a person properly listed on the Do-Not-Call register who alleged that the unlawful telephone solicitation had occurred on September 10, 2001. The CSD provided MetLife Auto & Home with notice of this complaint on September 24, 2001. The CSD received the third complaint on September 26, 2001; which alleged that the telephone solicitation occurred on September 17, 2001. The CSD provided MetLife Auto & Home with notice of this complaint on September 26, 2001.

TENN. CODE ANN. § 65-4-405(f) authorizes the TRA to assess penalties for violations of the Tennessee Do-Not-Call statutes, including the issuance of a cease and desist order and the imposition of a civil penalty of up to a maximum of two thousand dollars (\$2,000) for each knowing violation. The maximum fine faced by MetLife Auto & Home in this proceeding is eight thousand dollars (\$8,000), arising from the three (3) telephone solicitations and the failure to register in the Do-Not-Call Program. CSD relied upon the factors stated in TENN. CODE ANN. § 65-4-116(b) during the negotiations that ~~which~~ resulted in this agreement, including MetLife Auto & Home's size, financial status, good faith, and the gravity of the violation.

MetLife Auto & Home is located in Warwick, Rhode Island with offices located throughout Tennessee. It employs approximately sixty-five (65) persons in the state of Tennessee. MetLife Auto & Home demonstrated good faith during the investigation of the complaints. After receiving notice of the complaints, MetLife Auto & Home immediately contacted the CSD and expressed an interest in settling this matter. Through its parent company, The Metropolitan Life Insurance Company, MetLife Auto & Home registered with the TRA as a telephone solicitor on June 11, 2001. During the investigation, MetLife Auto & Home informed

the CSD that all the complaints arose from the alleged acts of one agent located in Knoxville, Tennessee.

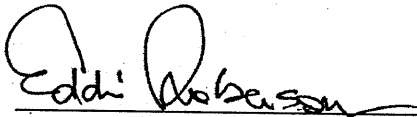
In an effort to resolve these complaints, represented by the file numbers above, CSD and MetLife Auto & Home agree to settle this matter based upon the following acknowledgements and terms subject to approval by the Directors of the TRA:

1. MetLife Auto & Home neither admits nor denies the allegations contained in the three (3) complaints.
2. MetLife Auto & Home has demonstrated a good faith effort to come into compliance with TENN. CODE ANN. § 65-4-404 and TENN. COMP. R. & REGS. 1220-4-11.07(1). After receiving notice of the complaints that are the subject of this agreement, counsel for MetLife Auto & Home acted in a very cooperative manner by contacting CSD and expressing an interest in settling the complaints. MetLife Auto & Home, through its parent company, registered with the TRA as a telephone solicitor on June 11, 2001 and receives a monthly copy of the Do-Not-Call register.
3. MetLife Auto & Home agrees to a settlement payment of four thousand dollars (\$4,000.00) for these complaints as authorized by TENN. CODE ANN. §65-4-405(f), and agrees to remit that amount to the TRA Office of the Executive Secretary within thirty (30) days from the date the Directors of the TRA approve this Settlement Agreement.<sup>1</sup> Upon payment of the amount of four thousand dollars (\$4,000.00) in compliance with the terms and conditions of this Settlement Agreement, MetLife Auto & Home is excused from further proceedings in this matter.

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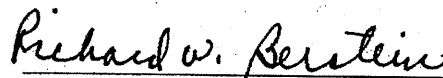
<sup>1</sup> The payment may be made in the form of a check, payable to the Tennessee Regulatory Authority, sent to 460 James Robertson Parkway, Nashville TN 37243, referencing TRA Docket Number 01-00917.

4. MetLife Auto & Home agrees to comply with all provisions of the Tennessee Do-Not-Call Telephone Sales Solicitation law and regulations.
5. MetLife Auto & Home agrees that a company representative will be available telephonically during the Authority Conference at which the Directors consider this Settlement Agreement.
6. In the event of any failure on the part of MetLife Auto & Home to comply with the terms and conditions of this agreement, the Authority reserves the right to re-open this docket for the prosecution of the three consumer complaints that are the basis of this docket. Any costs incurred in enforcing the Settlement Agreement shall be paid by MetLife Auto & Home.



Eddie Roberson  
Chief, Consumer Services Division  
Tennessee Regulatory Authority

4-28-01  
Date



Signature

Richard W. Bernstein

Print Name

Vice President, General Counsel and Secretary

Print Title

Metropolitan Property and Casualty  
Insurance Company

11/21/01  
Date